

You can have something come to the Senate and a Senator can individually call and say, you know, I am not going to let this move. You are not going to get unanimous consent on this. I stop it.

That is why it takes 60 votes, not 51, not 50, not 59—60 votes to cut off debate, a so-called filibuster.

I realize the party I represent has 49 Senators in the Senate. The majority has 51. There was a time, just a short time ago, when it was 50–50, and had it not been for the untimely death of Paul Wellstone it would be 50–50 now.

So we have a Senate that is so closely divided now, by the smallest of margins, but we all represent this country. Democrats, 49 of us, 51 Republicans, we all represent approaching 300 million people in addition to what we are obligated to do to represent our individual States.

While we recognize the right of the majority to set the agenda, we on the minority side also believe the rights of the minority shouldn't be trampled. That means not excluding us from conference committees.

David Broder, a long-time syndicated columnist who is nonpartisan and fair, recently wrote about the exclusion of Democrats from conference committees in Congress this year. He wrote:

These conferences are no longer the representative bodies they once were. Under the current Republican control of the House and Senate, Democrats are routinely excluded from the discussions after the ceremonial opening day. The real negotiations involve only top Republicans in Congress and representatives of the White House.

These conference committees have not only disregarded the views of Democratic Senators, but they have disregarded the views of the Senate itself.

On a number of issues, conferees appointed by the Senate leadership have gone against the will of this body.

Am I making things up? No. Let us talk about a few of them.

Media ownership: What is this all about? The decision was made in legislative session that you couldn't have more than a certain percentage of ownership of a media market by votes on both sides—House and Senate. In fact, when it went to the full committee when we were included in these meetings at that time, the full conference voted to maintain the position we had in the Senate. The conference committee was ended, and sure enough we get on the Senate floor and they have taken that out because the White House told them to. That has never been done before.

Another example, overtime pay. This was an issue where the administration wanted to change the way overtime is paid in this country. It affects 8 million people. On this side, we said it shouldn't be done. We voted accordingly and were joined by friends on the other side of the aisle. The House voted by a large majority to have their conferees do what the Senate did on this

vote. On the floor, it was stripped from the conference.

Pensions: Senator DASCHLE agreed to allow the conference to go forward. Of course, that didn't turn out as well as it was represented it would. That doesn't mean that everything should have gone exactly the way it came out of here. Of course not. But that is an example of what is happening in conferences.

Another example is an amendment we agreed to that said when you are buying meat you should know from where it comes. People are entitled to know that. Where is the beef that you are eating coming from? Both bodies said, yes, that is a great idea. In conference, it was taken from the bill.

The Senate voted for these things and the conferees disregarded the votes of the Senate—not individual Senators, they disregarded the voice of the American people. That is whom we represent.

We have to be able to work together for the good of the American people. That is what the people want us to do.

We have done very well this week. We were able to pass the FSC bill. It was a struggle. We got votes on overtime, on unemployment compensation, and we passed this most important bill. Tomorrow, we are going to pass the IDEA legislation which is very important. I hope tomorrow we can also get to the mental health parity legislation. It is my understanding that Senator DOMENICI has given his legislation to the chairman of the HELP Committee. Senator GREGG has that now, and hopefully we are in a position to have an agreement to work on this legislation in the near future.

We have to work together for the good of the people. I understand that being in the majority confers power, but with that power comes the responsibility to make sure the views of Senators are respected and the rights of the minority are not trampled.

We all have a responsibility to work together. But I believe those who control the agenda have the greatest duty to seek compromise and consensus. That is part of leadership. You have to know when to reach out and meet people at least halfway.

I think what we have heard around here far too often is obstructionism. I hope no one is deliberately trying to obstruct the business of our country. I don't think that is the case, but without compromise the Senate simply doesn't function.

President Gerald Ford—this nice man—was right. Compromise is the oil that keeps government running. But I believe that today our government needs an oil change and maybe even a lube job. We have to look under the hood and make the proper adjustments to get the engine running smoothly again in the Senate.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

On October 7, 2001, in Palm Spring, CA, Eric Bridge told police he was robbed and beaten unconscious by four men who chased him from a downtown bar after accusing him of being gay and hurling anti-gay slurs at him. Bridge was treated for cuts and bruises at a local medical center and released. The victim said he was not gay but believes he was targeted based on perception.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. By passing this legislation and changing current law, we can change hearts and minds as well.

THE JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT

Mrs. FEINSTEIN. Mr. President, I rise in favor of the Jumpstart Our Business Strength (JOBS) Act.

This is far from a perfect bill.

But without this legislation, U.S. companies will face increasing tariffs as a result of a World Trade Organization ruling that determined that significant portions of our Federal tax code ran counter to international trade laws.

Additionally, I voted for it because on balance it provides important tax relief for California businesses and labor protections for California workers.

This bill will: effectively provide a 3 percent tax cut for manufacturers; give manufacturers a 50 percent tax credit for the cost of adding jobs; extend the research tax credit through 2005; protect hundreds of thousands of workers from cuts in Federal overtime protections; prevent the Federal Government from spending taxpayer dollars on contracts with companies that use foreign labor when there are domestic alternatives; provide a tax credit for companies which produce energy by using underbrush and other potentially hazardous fuels found in our forests; provide a tax credit for consumers who buy hybrid vehicles; and protect the California film industry and the jobs it creates.

Since January 2001, California has lost 350,000 manufacturing sector jobs.

A 3 percent tax cut for manufacturers, coupled with a 50 percent tax credit for the cost of adding new jobs, will help us create more jobs in California.

The research tax credit will also help California, potentially more than any

other State. Productivity growth in recent years has been driven by the combination of new technology and investments in capital goods, research and development, workers, and public infrastructure.

To continue this pattern of growth, the focus must now be on providing incentives to companies that invest, innovate, and create the new capital and knowledge that drive the U.S. economy.

Since its enactment in 1981, the research tax credit has provided a powerful and effective incentive for firms to increase research spending.

The tax credit lowers the cost of conducting research in the United States.

This credit makes a real difference in the amount of research undertaken and jobs created in the U.S.

I also support the Harkin amendment which was adopted as part of this legislation. This amendment will prevent the White House from implementing changes in existing overtime laws that reduce the number of workers protected by labor laws.

Last year the White House proposed redefining the job descriptions of millions of workers, thereby eliminating their right to Federal overtime protection.

After many in this chamber raised serious concerns over such a change, the administration released final rules that made a significant, yet insufficient, change to those draft rules.

Unless we act, these rules will take effect later this year.

If the Department of Labor's own numbers are correct, then more the 117,000 individuals could lose overtime protection. If they are wrong, it could be millions.

These rule changes would wipe out overtime pay protections and increase work hours. In California alone, several hundred thousand workers could lose their Federal overtime protection. However, State law will continue to protect most workers from the most harmful effects of this rule change.

But, some public employees and many in the film industry won't be so lucky.

Although most workers in California will maintain their right to overtime through protections granted by State law, the rule change represents a movement in the wrong direction when it comes to protecting working families.

I also support provisions in the bill that will prevent the Federal Government from spending taxpayer money on contracts that use labor located outside of the United States.

Although our Nation has entered a period of economic recovery with significant productivity gains in the last several quarters—it is clear that a great deal of this productivity comes from two things: 1. downsizing of employees, and 2. outsourcing—turning to foreign labor in foreign countries.

In the past decade, General Electric sent 10,000 information services jobs to India; Electronic Data Systems ex-

ported 13,800 jobs to several nations; Microsoft spent \$100 million on a new call center in the Philippines; and Citigroup and Bank of America both sent software development jobs to India.

And while corporate earnings are up and the stock market remains high, we are continuing to lose service sector and manufacturing jobs.

I realize that many firms benefit greatly from outsourcing, but it damages the long term health of our communities unless we vigorously support new job growth.

We must give companies incentives to keep jobs here, and we must ensure that taxpayer money is not used to subsidize outsourcing.

This legislation will also help protect our environment by providing tax credits that encourage companies to produce energy by using underbrush and other hazardous fuels from our forests.

By providing an incentive to companies to remove these hazardous fuels from our forests, we will reduce the chance of forest fires in the western United States and provide much needed energy to this region of the Nation.

Additionally, this bill contains tax credits directly to consumers who purchase hybrid vehicles. These vehicles reduce air pollution and cut ozone in California.

Having said this, however, I recognize that there are significant problems with this bill.

For instance, it is clear that multinational corporations are not paying their fair share of taxes.

This bill allows companies to bring foreign-earned profits back into the United States at a greatly reduced tax rate—reduced from the current 35 percent to 5.25 percent. This is half as much as the lowest personal tax rate paid by individuals—10 percent.

Under an amendment which I sponsored with Senator BREAUX, companies would have been allowed to bring foreign-earned profits back to this country at the reduced 5.25 percent rate provided that they use those repatriated profits for activities that promote job growth or benefit employees.

Sadly, a lobbying effort by large multinational companies helped to defeat that amendment.

What is disturbing about this provision is that an unconscionable number of American companies are taking advantage of loopholes in U.S. tax law and paying no taxes.

According to a recent Government Accounting Office report, entitled "Comparison of the Reported Tax Liabilities of Foreign and U.S. Controlled Corporations, 1996–2000", 61 percent of U.S.-controlled corporations and 71 percent of foreign-owned corporations operating in the U.S. reported no tax liability during the period studied.

This means that approximately two-thirds of all companies operating in the U.S. paid absolutely no corporate income taxes between 1996 and 2000.

This is stunning.

Corporate tax receipts used to account for a much greater percentage of Federal revenues than they currently do.

According to the Brookings Institution, in 1945, income taxes from corporations accounted for 35.4 percent of Federal receipts. In 1970, income taxes from corporations accounted for only 17 percent of Federal revenues.

Today, however, corporate income taxes account for only 7.8 percent of Federal revenues.

This means that corporations are paying a smaller percentage of taxes than they have in the past five decades.

We have got to change the way we tax corporations in America. We have got to provide incentives to encourage corporate responsibility.

Corporations have got to worry about more than just the bottom line. They have got to become good corporate citizens. Unfortunately, this bill does not do enough to encourage that kind of corporate responsibility.

Going forward, I will seek to return balance to our tax system.

The middle class is being squeezed, while multi-nationals continue to outsource jobs and receive tax breaks for doing it.

Nevertheless, I will vote to protect California workers by helping to foster an environment where manufacturers can hire again. I will support research and development in our labs and factories. And, I will support protecting overtime protections for California citizens.

This is by no means a perfect bill.

But taken as a whole, I believe it is worthy of passage.

SUPPORT OF THE MCCAIN AMENDMENT TO S. 1637

Mr. FEINGOLD. Mr. President, I would like to express my support for the amendment offered by the senior Senator from Arizona, Mr. MCCAIN, to strike the energy tax title from the Foreign Sales Corporation bill. I recognize the need for a comprehensive energy policy and incentives for alternative energy development. I also believe that the tax package offered by the Senator from Iowa and the Senator from Montana was more balanced than the energy tax title from the H.R. 6. energy conference report. However, I am disappointed that the energy tax title in the FSC/ETI bill did not extend these tax credits in a more fiscally responsible way.

I support many of the tax credits in this legislation, such as extension of the wind energy producer credit. The wind energy tax credit is an important step in the continued effort to increase our energy security and to decrease our reliance on carbon-based energy sources. Wisconsin has a lot to offer in this area. I support tradeable tax credits for rural cooperatives, and the other provisions that would specifically benefit rural cooperatives and